## UNITED STATES SECURITIES AND EXCHANGE COMMISSION WASHINGTON, DC 20549

# FORM 8-K

# CURRENT REPORT Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): February 6, 2012

# MEDLEY CAPITAL CORPORATION

(Exact name of registrant as specified in its charter)

**Delaware** (State or other jurisdiction of incorporation)

1-35040 (Commission File Number) **27-4576073** (I.R.S. Employer Identification No.)

375 Park Avenue, 33<sup>rd</sup> Floor New York, NY 10152 (Address of principal executive offices)(Zip Code)

Registrant's telephone number, including area code: (212) 759-0777

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- o Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- o Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- o Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- o Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

#### ITEM 2.02. Results of Operations and Financial Condition.

On February 6, 2012, Medley Capital Corporation issued a press release announcing its financial results for the quarter ended December 31, 2011. A copy of this press release is attached hereto as Exhibit 99.1.

The information disclosed under this Item 2.02, including Exhibit 99.1 hereto, is being furnished and shall not be deemed to be "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and shall not be deemed incorporated by reference into any filing made under the Securities Act of 1933, as amended, except as expressly set forth by specific reference in such filing.

#### ITEM 7.01. Regulation FD Disclosure.

Medley Capital Corporation issued a press release, filed herewith as Exhibit 99.1, on February 6, 2012 announcing the declaration of a dividend of \$0.28 per share. The dividend is payable on March 15, 2012 to stockholders of record at the close of business on February 24, 2012.

The information disclosed under this Item 7.01, including Exhibit 99.1 hereto, is being furnished and shall not be deemed to be "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and shall not be deemed incorporated by reference into any filing made under the Securities Act of 1933, as amended, except as expressly set forth by specific reference in such filing.

#### ITEM 9.01. Financial Statements and Exhibits.

(d) Exhibits.

Exhibit No.Description99.1Press Release, dated February 6, 2012

## Signatures

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

MEDLEY CAPITAL CORPORATION

Date: February 6, 2012 /s/ Richard T. Allorto, Jr.

Name: Richard T. Allorto, Jr. Title: Chief Financial Officer

## EXHIBIT INDEX

Exhibit No. Description

99.1 Press Release, dated February 6, 2012

New York, NY – February 06, 2012

#### First Quarter Fiscal Year 2012 Dividend Declared

Medley Capital Corporation (the "Company") (NYSE: MCC) today announced that its Board of Directors declared a dividend for the quarter ended December 31, 2011 of \$0.28 per share, payable on March 15, 2012 to stockholders of record as of February 24, 2012. The dividend will be paid from earnings whose specific tax characteristics will be reported to stockholders on Form 1099 after the end of the calendar year.

#### First Quarter Fiscal 2012 Financial Results

## Highlights for the quarter ended December 31, 2011

- · Declared a dividend of \$0.28 per share
- · Net investment income of \$0.28 per share
- · Net income of \$0.25 per share
- · Net asset value (NAV) of \$12.57 per share
- · New investment originations of \$52.5 million

"We are pleased to announce an increase in the dividend to \$0.28 per share for the quarter end December 31, 2011" said Mr. Brook Taube, CEO. "The dividend is equal to our net investment income for the quarter and our goal is to increase net investment income as well as future dividends as we continue to grow the portfolio" continued Mr. Taube.

#### Portfolio Investments

The total value of our investments, including cash and cash equivalents, was \$250.1 million at December 31, 2011. During the quarter ended December 31, 2011, the Company originated \$52.5 million of new nvestments and had \$3.4 million of repayments resulting in net investment originations of \$49.1 million. As of December 31, 2011, the Company had investments in securities of 24 portfolio companies with approximately 55.5% consisting of senior secured first lien investments, 43.3% consisting of senior secured second lien investments, 0.6% in equities / warrants and 0.6% consisting of cash and cash equivalents. As of December 31, 2011, the weighted average yield based upon the cost basis of our portfolio investments, excluding cash and cash equivalents, was 14.4% and there were no non-accrual assets.

#### **Results of Operations**

The Company reported net investment income of \$0.28 per share and net income of \$0.25 per share for the three months ended December 31, 2011. As of December 31, 2011, the Company's NAV was \$12.57 per share.

#### Investment Income

For the three months ended December 31, 2011, gross investment income was \$8.2 million and consisted of \$7.1 million of portfolio interest income and \$1.1 million of other fee income.

#### Expenses

For the three months ended December 31, 2011, total expenses net of management fee waiver were \$3.4 million and consisted of the following: base management fees net of waiver of \$1.0 million, professional fees of \$0.3 million, administrator expenses of \$0.3 million, directors fees of \$0.1 million, interest and credit facility financing expenses of \$0.3 million, incentive fees of \$1.2 million and other general and administrative related expenses of \$0.2 million.

## Net Investment Income

The Company reported net investment income of \$4.8 million, or \$0.28 on a weighted average per share basis, for the quarter ended December 31, 2011.

#### Net Realized and Unrealized Gains/Losses

For the three months ended December 31, 2011, the Company reported net realized gains of \$0.1 million and net unrealized depreciation of \$0.5 million.

#### **Liquidity and Capital Resources**

As of December 31, 2011, the Company had cash and cash equivalents of \$1.4 million, and \$32.6 million of debt outstanding under its senior secured revolving credit facility.

On February 2, 2012, the Company's board of directors declared a quarterly dividend of \$0.28 per share payable on March 15, 2012 to holders of record as of February 24, 2012.

## **Webcast/Conference Call**

The Company will host an earnings conference call and audio webcast at 10:00 a.m. (Eastern Time) on Tuesday, February 7, 2012.

All interested parties may participate in the conference call by dialing (866) 730-5762 approximately 5-10 minutes prior to the call: international callers should dial (857) 350-1586. Participants should reference Medley Capital Corporation and the participant passcode of 82420185 when prompted. Following the call you may access a replay of the event via audio webcast. This conference call will be broadcast live over the Internet and can be accessed by all interested parties through the Company's website, http://www.medleycapitalcorp.com. To listen to the live call, please go to the Company's website at least 15 minutes prior to the start of the call to register and download any necessary audio software. For those who are not able to listen to the live broadcast, a replay will be available shortly after the call on the Company's website.

#### **Financial Statements**

#### **Medley Capital Corporation**

#### **Consolidated Statements of Assets and Liabilities**

	December 31, 2011		September 30, 2011	
ASSETS				
Investments at fair value				
Non-controlled/non-affiliated investments				
(amortized cost of \$198,645,499 and \$153,268,701, respectively)	\$	198,238,921	\$	153,385,565
Affiliated investments (amortized cost of \$46,053,454				
and \$46,087,374, respectively)		45,797,052		45,820,982
Total investments at fair value		244,035,973		199,206,547
Cash and cash equivalents		1,445,700		17,201,643
Interest receivable		2,410,758		1,679,738
Deferred credit facility financing costs, net		1,180,244		1,259,382
Due from Counterparty		4,665,511		_
Other Assets		73,461		782,006
Total assets	<u>\$</u>	253,811,647	\$	220,129,316
LIABILITIES				
Credit facility payable	\$	32,600,000	\$	_
Management and incentive fees payable, net		2,210,803		1,483,751
Accounts payable and accrued expenses		629,256		626,261
Administrator expenses payable		296,246		346,293
Deferred revenue		60,997		18,648
Interest and credit facility fees payable  Due to affiliate		190,283 112,266		1,667
Due to anniate		112,200	<u></u>	<u> </u>
Total liabilities	\$	36,099,851	\$	2,476,620
NET ASSETS				
Common stock, par value \$.001 per share, 100,000,000				
common shares authorized, 17,320,468 and 17,320,468 common				
shares issued and outstanding, respectively	\$	17,320	\$	17,320
Capital in excess of par value		214,509,815		214,509,815
Accumulated undistributed net investment income		3,681,120		3,220,089
Accumulated net realized gain from investments		166,521		55,000
Net unrealized depreciation on investments		(662,980)		(149,528)
Total net assets		217,711,796		217,652,696
Total liabilities and net assets	\$	253,811,647	\$	220,129,316
NET ASSET VALUE PER SHARE	\$	12.57	\$	12.57



# **Medley Capital Corporation**

# **Consolidated Statements of Operations**

	M	For the three Months ended December 31, 2011	
INVESTMENT INCOME			
Interest from investments			
Non-controlled/Non-affiliated investments	\$	5,537,730	
Affiliated investments		1,554,071	
Total interest income		7,091,801	
Interest from cash and cash equivalents		1,843	
Other fee income		1,135,556	
Total investment income		8,229,200	
EXPENSES			
Base management fees		1,045,267	
Incentive fees		1,206,662	
Administrator expenses		296,246	
Professional fees		292,104	
Interest and credit facility financing expenses		282,026	
Directors fees		115,254	
Insurance		104,414	
General and administrative		101,703	
Expenses before management fee waiver		3,443,676	
Management fee waiver		(41,126)	
Total expenses net of management fee waiver		3,402,550	
Net investment income before excise taxes		4,826,650	
Excise tax expense		(35,501)	
NET INVESTMENT INCOME		4,791,149	
REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS			
Net realized gain from investments		111,521	
Net unrealized depreciation on investments		(513,452)	
Net loss on investments		(401,931)	
NET INCREASE IN NET ASSETS RESULTING FROM			
OPERATIONS	\$	4,389,218	
WEIGHTED AVERAGE - BASIC AND DILUTED EARNINGS			
PER COMMON SHARE	\$	0.25	
WEIGHTED AVERAGE COMMON STOCK OUTSTANDING - BASIC AND DILUTED		17,320,468	
		1,,520,100	

#### ABOUT MEDLEY CAPITAL CORPORATION

The Company is a newly-organized, externally-managed, non-diversified closed-end management investment company that has filed an election to be treated as a business development company under the Investment Company Act of 1940, as amended. The Company's investment objective is to generate both current income and capital appreciation, primarily through investments in privately negotiated debt and equity securities of middle market companies. The Company is a direct lender targeting private debt transactions ranging in size from \$10 to \$50 million to borrowers principally located in North America. The Company's investment activities are managed by its investment adviser, MCC Advisors LLC, which is an investment adviser registered under the Investment Advisers Act of 1940, as amended.

#### FORWARD-LOOKING STATEMENTS

Statements included herein may contain "forward-looking statements". Statements other than statements of historical facts included in this press release may constitute forward-looking statements and are not guarantees of future performance or results and involve a number of assumptions, risks and uncertainties, which change over time. Actual results may differ materially from those anticipated in any forward-looking statements as a result of a number of factors, including those described from time to time in filings by the Company with the Securities and Exchange Commission. The Company undertakes no duty to update any forward-looking statement made herein. All forward-looking statements speak only as of the date of this press release.

SOURCE: Medley Capital Corporation

Contact: Richard T. Allorto 212.759.0777